

# Medicare rule can be burden for home health companies

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Regulations: David Tramontana, chief executive officer of Kettering-based Home Care by Black Stone, said a new Medicare rule is creating headaches for home health care firms.

**David Tramontana** is concerned a new [Medicare](#) rule is restricting access to care and creating a paperwork burden for the Dayton-area health care industry.

Tramontana, CEO of Kettering-based Home Care by Black Stone, said his team is already feeling the lagging effect of the rule, which is a requirement added to the Medicare Home Health Prospective Payment System.

The new Medicare rule, which went into effect Feb. 1 for Ohio and Missouri — but is not set to begin until April for other states — requires a patient have a face-to-face visit with a physician either 90 days prior or 30 days post admission of home care before home health companies will be reimbursed for services. Previously, no physician sign-off was required.

Tramontana said the rule is yet another unfunded mandate from the U. S. government.

“It’s an extra headache,” he said.

The rule is designed to cut down on unnecessary home care treatments by demanding a physician see the patient.

**Bonnie Kantor-Burman**, director of the Ohio Department of Aging, said the requirement was added to ensure Ohio’s patients are getting the most responsive and appropriate services.

But Dayton-area home care providers said the mandate is the U.S. government's way of restricting home care amid an ever-tightening Medicare budget. Medicare reimbursement rates were cut 5 percent this year, and are predicted to be reduced by more than 6 percent in 2012.

**David Ganzsarto**, CEO of Kettering-based [Alternate Solutions Home Care](#) — the Dayton-area's third largest home care firm with revenue of nearly \$30 million in 2009 — predicts the mandate will actually cause more Medicare money to be spent.

He said patients in need of home care who are home-bound and unable to go to the doctor will instead go to the hospital for treatment. The process will turn the average \$100 home care bill into an average daily hospital bill of \$5,000, Ganzsarto said.

The home care providers said the rule's implementation has been rushed and most physicians, hospital administrators, patients and insurance companies are unaware of it. This will create time and cost burdens on skilled home care companies who are left to educate the health industry, as well as their own staff.

Kantor-Burman said detailed guidelines about the sign-off process have been released to physicians, insurance companies and home care agencies to ensure they are educated on the new requirement.

But Ganzsarto says the requirement is not just a signature, it is a thick packet of paperwork that takes physicians about 15 minutes to complete — twice as long as the average seven-minute doctor's appointment — and most health professionals remain unaware of the rule.

Home Care by Black Stone, the Dayton-area's fourth largest skilled home care company with revenue of nearly \$19 million in 2009, has the equivalent of a full-time employee now working to meet the requirement. The firm has 800 skilled home care clients.

Large home care providers, including Black Stone and Alternate Solutions, foresee a harsh road for small skilled home care agencies who may not have the budget, resources and staffing to meet the requirement. The Dayton region has 110 skilled home care companies.

The mandate may even spark mergers and acquisitions, as smaller companies succumb to the requirement's burden and sell to larger firms.

“Our industry is a hot industry for mergers and acquisitions right now, so this would just be another factor to add to that,” Tramontana said.

Smaller local companies will not survive these types of mandates on top of decreasing Medicare funds, Ganzsarto said.

Tramontana said the government should pause the rule and work with stakeholders to formulate a less time-consuming and costly way to avoid wasted Medicare and Medicaid dollars on unneeded services.

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